UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, DC 20436

MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109th Congress 1

[Date approved: August 26, 2005]²

Bill No. and sponsor: H.R	. 1881 (Mr. Cleaver)
Proponent name, location	: Bayer CropScience St. Louis, MO 63111
Other bills on product (10	9 th Congress only): None.
Nature of bill: Temporary	duty suspension through December 31, 2008.
Retroactive effect: None.	
Suggested article descript	ion(s) for enactment (including appropriate HTS subheading(s)):
2-Acetylbutyrolactone (CA	S No. 517-23-7) (provided for in subheading 2932.29.50)
	Same as that in bill as introduced Different from that in bill as introduced (explain differences in Technical numents section)
Product information, incl	uding uses/applications and source(s) of imports:

The synthetic organic chemical, 2-acetylbutyrolactone, is used in the manufacture a fungicide used to control leaf and head diseases on wheat and barley. There is no known domestic production of 2-acetylbutyrolactone. This chemical is imported from either China or Japan.

¹ Industry analyst preparing report: Eric Land (202-205-3349); Tariff Affairs contact: Dave Michels (202-205-3352).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm

Estimated effect on customs revenue:

HTS subheading: <u>2932.29.50</u>									
	2005	2006	2007	2008	2009				
Col. 1-General rate of duty (AVE) <u>1</u> /	3.7%	3.7%	3.7%	3.7%	3.7%				
Estimated value <i>dutiable</i> imports	\$8,426,000	\$8,426,000	\$8,426,000	\$8,426,000	\$8,426,000				
Customs revenue loss	\$311,762	\$311,762	\$311,762	\$311,762	\$311,762				

^{1/} The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using the most recent import data available.

Source of estimated dutiable import data: Industry estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
			(Yes/No)	
AtoFina Cerexagri Charles Kitchin fax: 703-527-2092	7/12/2005	No	No	No
Aventis Jean Reimers fax: 202-628-6622	7/12/2005	No	No	No
BASF Corp. Greg Theis fax: 202-558-5101	7/12/2005	No	No	No
Bayer CropScience Williams Hensley fax: 202-628-6622	7/6/2005	No	No	No
Crop Life America Lawrence Norton fax: 202-463-0474	7/12/2005	No	No	No
Dow Agro Science Margaret Rogers fax: 202-429-3467	7/12/2005	No	No	No
E.I. DuPont Nancy Johnson fax: 202-728-3649	7/12/2005	No	No	No
E.I. DuPont Elaine Olson fax: 302-992-2263	7/12/2005	No	No	No

FMC Corp. Jerry Prout fax: 202-956-5235	7/12/2005	No	No	No
Griffin Corp. James Whatley fax: 800-248-5154	7/12/2005	No	No	No
Monsanto Corp. Michael Parrish fax: 202-789-1867	7/12/2005	No	No	No
Monsanto Corp. Linda Strachan fax: 202-789-1867	7/12/2005	No	No	No
Syngenta Mike Blythe fax: 336-632-6084	7/12/2005	No	No	No
Valent USA Robin Demouth fax: 925-256-2776	7/12/2005	No	No	No

Technical comments:³ None.

 $[\]overline{\ }^3$ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

H. R. 1881

To suspend temporarily the duty on 2-Acetylbutyrolactone.

IN THE HOUSE OF REPRESENTATIVES

April 27, 2005

Mr. Cleaver introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on 2-Acetylbutyrolactone.

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- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. 2-ACETYLBUTYROLACTONE.
- 4 (a) In General.—Subchapter II of chapter 99 of
- 5 the Harmonized Tariff Schedule of the United States is
- 6 amended by inserting in numerical sequence the following
- 7 new heading:

"	9902.05.75	2-Acetylbutyrolactone (CAS No. 517–23–7) (provided for					
		in subheading 2932.29.50)	Free	No change	No change	On or before 12/31/2008	,,

- 8 (b) Effective Date.—The amendment made by
- 9 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of enactment of this Act.

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